

House File 2005 - Introduced

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BY SCHUELLER

A BILL FOR

1 An Act eliminating the continuing education requirement for
2 used motor vehicle dealers.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 322.7, subsection 4, Code 2009, is
2 amended to read as follows:

3 4. The motor vehicle dealer license provided for in this
4 chapter shall be renewed upon application in the form and
5 content prescribed by the department and upon payment of the
6 required fee. ~~A used motor vehicle dealer license shall not be
7 renewed for an applicant who is subject to continuing education
8 requirements until the licensee certifies completion of the
9 educational requirements for license renewal under section
10 322.7A. The certification may be transmitted to the department
11 by the education provider in electronic format.~~ A licensee
12 shall have the month of expiration and the month after the
13 month of expiration to renew the license. A person who fails
14 to renew a license by the end of this time period and desires
15 to hold a license shall file a new license application and pay
16 the required fee.

17 Sec. 2. Section 322.7A, Code 2009, is amended to read as
18 follows:

19 **322.7A Used motor vehicle dealer education program.**

20 1. An applicant for a license as a used motor vehicle dealer
21 shall complete a minimum of eight hours of prelicensing used
22 motor vehicle dealer education program courses pursuant to this
23 section prior to submitting an application to the department.

24 ~~2. A person seeking renewal of a used motor vehicle dealer
25 license shall complete a minimum of five hours of continuing
26 education program courses over a two-year period pursuant to
27 this section prior to submitting an application for license
28 renewal. However, an applicant for renewal of a used motor
29 vehicle dealer license who has met the prelicensing education
30 requirement under subsection 1 within the preceding twenty-four
31 months is exempt from the continuing education requirement for
32 license renewal.~~

33 ~~3.~~ 2. To meet the requirements of this section, at least
34 one individual who is associated with the used motor vehicle
35 dealer as an owner, principal, corporate officer, director, or

1 member or partner of a limited liability company or limited
2 liability partnership shall complete the education program
3 courses.

4 ~~4.~~ 3. The Iowa independent automobile dealers association,
5 in consultation with the state department of transportation,
6 the department of education, the attorney general, and the
7 Iowa association of community college trustees, shall develop
8 the ~~prelicensing and continuing education~~ course curricula
9 for the used motor vehicle dealer education program, which
10 shall include but not be limited to examination of federal
11 and state laws applicable to the motor vehicle industry and
12 federal and state regulations pertaining to used motor vehicle
13 dealers. The ~~education program~~ courses shall be provided by
14 community colleges as defined in section 260C.2 or by the Iowa
15 independent automobile dealers association in conjunction
16 with a community college. The department of education shall
17 adopt rules establishing reasonable fees to be charged
18 for the ~~prelicensing education courses and the continuing~~
19 ~~education~~ courses.

20 ~~5.~~ 4. A community college shall issue a certificate to
21 each person who successfully completes the ~~prelicensing~~ used
22 motor vehicle dealer education program ~~or a continuing~~
23 ~~education program~~ under this section. The current certificate
24 of completion, or a copy of the certificate, shall be posted
25 conspicuously in the principal office of the licensee.

26 ~~6.~~ 5. The provisions of this section apply to all
27 used motor vehicle dealers, including but not limited to
28 individuals, corporations, and partnerships, except for the
29 following:

30 *a.* Motor vehicle rental companies having a national
31 franchise.

32 *b.* National motor vehicle auction companies.

33 *c.* Wholesale dealer-only auction companies.

34 *d.* Used car dealerships owned by a franchise motor vehicle
35 dealer.

1 e. Banks, credit unions, and savings and loan associations.
2 ~~7.~~ 6. Each community college providing used motor vehicle
3 dealer education program courses shall transmit a report
4 on the program annually by December 31 to the director of
5 transportation, the director of the department of education,
6 the attorney general, and the president of the Iowa association
7 of community college trustees.

8

EXPLANATION

9 This bill eliminates the continuing education requirement
10 for used motor vehicle dealers. The used motor vehicle
11 dealer education program currently consists of eight hours
12 of prelicensing education courses to be completed prior to
13 licensure and five hours of continuing education courses
14 to be completed over a two-year period prior to license
15 renewal. Under the bill, an applicant for a new license is
16 still required to complete eight hours of used motor vehicle
17 dealer education as a condition for licensure, but there is no
18 continuing education requirement for renewal of the license.